GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4354
ANSWERED ON:24.04.2008
PRODUCTION OF MAJOR BULK DRUGS
Mahato Shri Narahari

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the quantity of production of about 300 important major bulk drugs produced in the country during each of the last three years,State-wise;

(b) the different fiscal and non-fiscal incentives provided by the Union Government and States for setting up of manufacturing units in the selected areas/regions;and

(c) the impact thereof on production,quality and cost competitiveness in the long run?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS & MINISTER OF THE STATE IN THE MINISTRY OF MINES (SHRI B.K. HAND1QUE)

(a) A large number of units manufacturing drugs and related items, both in the organized sector and in the small scale sector are operating in the country.Under the provisions of Drugs and Cosmetics Act, 1940 and Rules there-under,the responsibility for regulating manufacture and sale of drugs is vested primarily with the State Governments.

(b) The Central as well as the State Governments are providing various fiscal and non fiscal incentives for setting up of manufacturing units in selected areas/regions.In the States of Uttarakhand & Himachal Pradesh, new units or units undertaking substantial expansion are fully exempt from excise duty, while such units in the North East, Jammu & Kashmir are entitled for refund of duty payable on the value addition undertaken in the manufacture of the goods at the rate prescribed by the Government. A similar exemption is also available to units set up on or after 31.07.2001 and before 31.12.2005 in the Kutch district of Gujarat.

(c) There has been a substantial impact on pharma sector in terms of production, quality and cost competitiveness due to the various fiscal & non fiscal measures/ Incentives adopted from time to time by the Government. This has resulted in the fresh investments for manufacture of bulk drugs & formulations, setting up of facilities for R&D work, enhanced quality as per the global regulations & more importantly increased domestic production and exports to large number of destinations around the world in a cost competitive manner.